

ECONOMIC DEVELOPMENT

SB 6541 - Tourism development (passed Legislature)

Background

Tourism is a major industry in Washington. According to a report by the Department of Community, Trade, and Economic Development, travel-related spending totaled \$9.1 billion and generated \$1.9 billion in payroll. It's estimated that tourism supported 124,400 jobs in 1997.

Bill Summary

This measure is aimed at assisting the tourism industry in Washington. It establishes a performance budgeting system for tourism within the Community, Trade, and Economic Development department. The intent is to provide a mechanism to help boost the department's budget for tourism. The measure also establishes a tourism development advisory committee within the department.

EHB 2894 - The no-gas-tax-increase transportation fund plan (passed Legislature)

◆The no-gas-tax-increase transportation funding plan also has elements of economic development.

Background

This session, the Legislature considered a number of methods to improve economic development in the state's rural counties. This effort is meant to attract new industry or expand existing industry and generate new jobs. While the overall health of the state's economy remains strong, there are areas lagging behind. Republicans favor a broad-based economic development approach that spans the state and is fair to existing and new businesses alike.

The Governor tried to address this issue using an approach that was too narrowly defined. This severely limited the effectiveness for helping rural counties. The Governor's proposal was aimed at a single industry that was interested in a few locations. His proposal would have pitted existing companies and property owners against new industries.

Bill Summary

One of the key components of the Republican transportation package is money to help local governments, not only those in distressed counties. This package pays for a number of programs: criminal justice costs, sales tax equalization and economic development.

◆Economic Development

The package provides a total of \$14 million for rural counties.

- ✓Out of that money, \$10 million is annual funding for counties experiencing high unemployment. The 22 counties meeting this criteria can use this funding to address local needs.
- ✓An additional \$4 million is dedicated to the Community Revitalization Economic Board (CERB). These grants are intended to help counties deal with the infrastructure costs of siting new industries.

◆Criminal Justice Costs

The legislative package boosts funding for local criminal justice programs and it eliminates the

inflationary cap on the distribution formula. As a result, counties and cities will be receiving more criminal justice funding in 1999 to help defray the cost associated with prosecuting and jailing criminals.

◆Sales Tax Equalization

The package includes \$4 million annually for cities that lack a large retail base in sales tax equalization funding.